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RR RUEHCHI RUEHDT RUEHHM
DE RUEHJA #2097 2150655

ZNR UUUUU ZZH
R 030655Z AUG 07
FM AMEMBASSY JAKARTA
TO RUEHJA/AMEMBASSY JAKARTA
RUEHJS/AMCONSUL SURABAYA 1859
RUEHC/SECSTATE WASHDC 5638
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBJ/AMEMBASSY BEIJING 4183
RUEHBY/AMEMBASSY CANBERRA 0962
RUEHUL/AMEMBASSY SEOUL 4114
RUEHKO/AMEMBASSY TOKYO 0627
RUEHHK/AMCONSUL HONG KONG 2363
RUEAIIA/CIA WASHDC
RUQODAZ/CARIBROC KEY WEST FL
RHHJJPI/PACOM IDHS HONOLULU HI
RUCPDOC/DEPT OF COMMERCE WASHDC

UNCLAS JAKARTA 002097

SIPDIS

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FOR EAP/MTS; EB/TPP/IPE; INL/AAE; INL/C
COMMERCE FOR 4430/ BERLINGUETTE
COMMERCE PASS USPTO JNESS
DEPT PASS USTR FOR WEISEL, DKATZ, RBAE,

E.O. 12958: N/A

TAGS: KIPR ETRD KCOR ECON SNAR ID

SUBJECT: LARGEST COUNTERFEIT DRUG SEIZURE EVER IN INDONESIA

REF: A. JAKARTA 00011

1B. JAKARTA 01813

1C. JAKARTA 02035

11. (SBU) SUMMARY: On July 23 Government of Indonesian (GOI) law enforcement authorities conducted the largest seizure ever of counterfeit pharmaceuticals. Jakarta police raided a warehouse seizing over 16 million finished tablets of counterfeit pharmaceuticals valued between \$3 and \$7 million.

This latest seizure took place only three days after authorities seized over one hundred and fifty 50 kg bags of drugs in a separate raid (reftel C) and less than a month after police closed down two optical disk factories suspected of illegal production on July 1 (reftel B). END SUMMARY

Imported Counterfeit Medicines

12. (SBU) Indonesian police raided a warehouse in Jakarta serving as a distribution center for imported counterfeit medicines on July 23. Authorities seized 16 million finished tablets of counterfeit pharmaceuticals, fifty thousand capsules and almost 1000 syrup bottles. Police estimated the value of the counterfeit medicines at between \$3 and \$7 million. GOI officials contend this is the largest counterfeit drug seizure ever worldwide. Evidence collected from the site by investigators confirmed the counterfeit product was destined for three well-known Jakarta pharmaceutical retailers for domestic sale. Much like previous raids, the medicines were packaged with brand-name corporate markings, including Pfizer, GalxoSmithKline, Bauer and Roche. Police investigators suspect the medicines were imported from China, but results of the investigation are not definitive. The owner of the premises fled the scene and police authorities believe he has departed the country for China.

U.S. Technical Assistance Draws Private Sector Support

13. (SBU) Law enforcement authorities benefited from intelligence and technical assistance provided through the State Department/INL-funded, Department of Justice

International Criminal Investigative Training Assistance Program (ICITAP). ICITAP advisors, in addition to providing training and assistance, also successfully persuaded a consortium of pharmaceutical manufacturers to fund sample testing of the seized medicines. The pharmaceutical companies have also agreed to finance construction of a storage facility for seized goods.

Investigation May Extend to Importation

¶4. (SBU) This latest counterfeit drug raid follows a impressive string of successful intellectual property rights (IPR) related enforcement actions by Indonesian authorities. ICITAP advisors tell us that if test results by pharmaceutical companies show the counterfeit medicines posed significant health risks to consumers, law enforcement authorities may broaden the investigation to include the importation of the drugs into Indonesia, potentially implicating GOI Customs officials. Post continues to recommend increased support of IPR-related assistance to the GOI, including extension of the ICITAP program for another year and development of DOJ/OPDAT assistance to the Attorney General's Office to ensure successful prosecutions.

HUME